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SUBJECT: NORWAY-FUNDED CORRUPTION EXPERT ADVISES MALAGASY

¶1. (SBU) SUMMARY: Fredrik Galtung of the organization "tiri: Making Integrity Work" provided donors and anti-corruption officials a briefing May 25 following extensive consultations in Madagascar. He identified judicial reform as the top priority for any substantial improvement on transparency and integrity. In addition, he highlighted the weaknesses of journalists and NGOs who could potentially play a role in reducing corruption. Noting that a degree of transparency is typically a prerequisite for economic growth, Galtung called on the Malagasy to move beyond measuring "activities" to measuring the "impact" of their policy. END SUMMARY.

Judicial Reform Desperately Needed

¶2. (SBU) Norway-financed corruption expert Fredrik Galtung of "tiri: Making Integrity Work" (www.tiri.org) briefed top officials from the Committee to Safeguard Integrity (CSI), the Independent Anti-Corruption Bureau (BIANCO) and donors May 25 about findings from his consultations. He identified judicial reform as Madagascar's top priority in order to make any real progress in combating corruption. Galtung noted that the special "chaine penale" which was established to handle corruption was a good first step, but must be reinforced. He described the rest of the judicial system as totally ineffective, emphasizing that the USD 14 million budget for the entire Justice Ministry, including prisons, was barely a quarter the size necessary to be effective.

¶3. (SBU) Elaborating on judicial failures, Galtung reported that private sector operators "feared the Malagasy justice system" and "avoided the courts at all cost." Without rule of law, protection of investment, enforceability of contracts, and a level playing field, Galtung concluded, economic development is virtually impossible.

Weak Journalism and NGOs

¶4. (SBU) After the judicial system, Galtung identified weaknesses in the media and civil society as obstacles to real progress toward transparency in Madagascar. Journalists, he reported, are biased, report cases only in return for payment, and are unwilling or unable to practice investigative journalism. Likewise Madagascar's NGOs are effective in limited areas related to the fight against corruption, notably education and awareness activities. Galtung argued that BIANCO and CSI cannot be effective alone as government institutions, NGO advocacy and legal action against corrupt practices are also key ingredients for success. He noted an important risk in currently-funded activities: if awareness is raised among Malagasy, but there is no action, no prosecutions, people will quickly become frustrated.

Do Donors Have Long-Term Vision?

¶5. (SBU) Galtung asked rhetorically if Madagascar's partners in the donor community have a sufficiently long-term vision to battle corruption. He commended Norway, USAID, and others for supporting BIANCO and CSI, but emphasized it is ultimately the GOM that must fund anti-corruption activities. He used examples from Hong Kong, Singapore, France, and the United States to explain that governments of advanced economies do not curb corruption simply for the prestige or reputation for transparency. In fact the main motivation is that good governance and fair economic practices are generally prerequisites for economic growth.

COMMENT: Test of Rhetoric or Reality

¶6. (SBU) Galtung's counsel did not fall on deaf ears, as CSI President Bakolalao Ramanandraibe and BIANCO Director General Rene Ramarozatovo are two of the best-qualified senior officials in government. Bako is a former magistrate with a strong legal background and Ramarozatovo is a Lieutenant-General in the Malagasy Army. The context and timing of Galtung's visit are interesting in terms of the political will to fight corruption. The same week the International Monetary Fund launched an audit of President Ravalomanana's TIKO company to investigate unpaid import taxes estimated at up to 13 billion Ariary (USD seven million). BIANCO and an international accounting firm will conduct the audit of TIKO's records back to July, 2006. While Galtung's presence is a positive sign, the outcome of the audit may go further in separating the reality from the rhetoric in the GOM's anti-corruption efforts.

END COMMENT.

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